THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY) : (a) No, Sir. The total external finance proposed to be raised by the Dabhol Power Company is USD 550 million for which in floating rate terms, the weighted average foreign currency spread over US Treasuries is 2.4% per annum currently 10 year US Treasuries have a coupon rate of less than 8% per annum at par).

(b) There are two methods of establishing the level of minimum interest rates on export credits which are officially supported the general matrix rate that will be available upto January 14, 1995 to the Organisation for Economic Cooperation and Development Consensus Category III countries, which includes India, and the Commercial Interest Reference Rates that are market ralated and are announced each month. The finance plan of the Dabhol Power Company envisages a loan of USD 302 million from the Export Imoprt Bank of the United States wherein the interest would be applicable at the old OECD Consensus rate of 5.95% p. a., even though currently the Consensus rate is 7.35% p. a. on officially supported credits.

(c) Not applicable in view of the answer to part (a) above.

Capital Adequacy Norms

2069. SHRI GAYA SINGH :
SHRI N. GIRI PRASAD :
Will the Minister of FINANCE be pleased to state :

(a) whether all the Public Sector banks including SBI and Associated banks have complied with the capital adequacy norms stipulated by Government/RBI;

(b) if so, the names of the banks and their respective capital ratios; and

(c) if not, the banks who have defaulted and the extent of shortfall of capital ratios?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY) : (a) and (b) Reserve Bank of India (RBI) has intimated that Indian banks which do not have their branches abroad were required to achieve 4% capital to Risk Asset Ratio (CRAR) by 31st March, 1993 and 8% by 31st March, 1996. However those banks which have their branches abroad are required to achieve the 8% norm by 31st March, 1995. Among all the Public Sector Banks barring Punjab National Bank which has yet to finalise its balance sheet, names of banks which have achieved at least 4% CRAR, as at 31st March, 1994, are given below :—

	NAME OF THE BANK	CRAR
1.	State Bank of India	12.9%
2.	State Bank of B & J	4.6%
3.	State Bank of Hyderabad	6.2%
4.	State Bank of Indore	4.8%
5.	State Bank of Mysore	4.6%
6.	State Bank of Patiala	11.2%
7.	State Bank of Travancore	4.3%
8.	State Bank of Saurashtra	4.92%
9.	Bank of Baroda	9.1%
10.	Canara Bank	12.1%
11.	Corporation Bank	9.4%
12.	Dena Bank	6.7%
13.	Oriental Bank of Commerce	10.2%
14.	Union Bank of India	9.7%
15.	Vijaya Bank	5.7%

(c) Information is being collected and will be laid on the Table of the House.

Minimum Capital Adequacy Ratio

2070. SHRI GURUDAS DASGUPTA :
SHRI N. GIRI PRASAD :
Will the Minister of FINANCE be pleased to state :

(a) whether public sector banks have been advised by the Government to resort to public issues only if it is necessary to do so, to reach minimum capital adequacy ratio;

(b) if not, for what other purposes can banks resort to public issues; and

(c) the names of banks which have come out or likely to come out with public issues during 1993-94, 1994-95 and 1995-96 and the level of their capital ratio present and projected after the issues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) No, Sir.

(b) In addition to achieving the capital adequacy ratio, the public sector banks have to raise their level of capital for the following reasons also :

1. With the growth in deposits, funded risk assets and off-balance sheet items would increase commensurately and this would necessitate enhancement in net-worth to comply with capital adequacy norm.

2. As per the present RBI gnidelines on lending under consortium arrangement the share of a bank as a member of the consortium should be a minimum of 5 per cent of the fund based credit limits so as to ensure meaningful participation.